



# **Advisory Committee Kick Off**

**Connecticut Insurance Exchange**  
**March 20, 2012**



# Agenda

- Welcome and Introductions
- Exchange Basics
- Timeline overview: key milestones
- Committees' roles and responsibilities
- Overview of communication and coordination among committees
- Next steps: Structure of first committee meetings

# Health Insurance Exchange | Overview

- **Structured marketplace for commercial health insurance:**
  - Individuals and small employers
  - Enables consumers to compare plans and enroll in coverage
- **One-stop shop for publicly subsidized health coverage:**
  - Medicaid
  - CHIP (HUSKY)
  - Subsidized health insurance
- **Source of information on carriers and plan performance**

# Exchange | Target Markets – Individual

## Individual Market

- Premium subsidies and lower out-of-pocket costs for individuals and families with income between 138% (including 5% income disregard) and 400% FPL
  - \$15,414 -- \$44,680 for an individual
  - \$31,809 -- \$92,200 for a family of four
- Legal US (and Connecticut) resident
- Not eligible for Medicaid or Medicare
- Not offered “affordable” employer-sponsored insurance
  - Employee share of individual premium >9.5% of family income); or
  - Employer-sponsored insurance does not meet actuarial value minimum of at least 60%

## Exchange | Individual Share of Monthly Premiums

(based on CY 2012 federal poverty level standards)

Income as Percent of FPL	Annual Income	Monthly Income	Member's Premium as % of Income	Member's Share of Monthly Premium
100%	\$11,170	\$930	2%	\$18.62
138%	\$15,415	\$1,285	3%	\$38.54
150%	\$16,755	\$1,396	4%	\$55.85
200%	\$22,340	\$1,862	6.3%	\$117.29
250%	\$27,925	\$2,327	8.05%	\$187.33
300%	\$33,510	\$2,792	9.5%	\$265.29
350%	\$39,095	\$3,258	9.5%	\$309.50
400%	\$44,680	\$3,723	9.5%	\$353.72 <sup>5</sup>

## Exchange | Family of 4 Share of Monthly Premiums (based on CY 2012 federal poverty level standards)

Income as Percent of FPL	Annual Income	Monthly Income	Member's Premium as % of income	Member's Share of Monthly Premium
100%	\$23,050	\$1,921	2%	\$38.42
133%	\$31,809	\$2,651	3%	\$79.52
150%	\$34,575	\$2,881	4%	\$115.25
200%	\$46,100	\$3,842	6.3%	\$242.03
250%	\$57,625	\$4,802	8.05%	\$386.57
300%	\$69,150	\$5,762	9.5%	\$547.44
350%	\$80,675	\$6,723	9.5%	\$638.68
400%	\$92,200	\$7,683	9.5%	\$729.92 <sub>6</sub>

## Exchange | Premium Contributions -- Example

- Single, 30 year-old New Haven resident with annual income of \$22,340
- Modified adjusted gross income equal to 200% FPL
- Monthly premium of 6.3% of income = \$117.29
- Federal subsidy pegged to second lowest cost silver level plan

## Exchange | Premium Contributions

### - Example

Qualified Health Plans	Monthly Premium	Federal Share of Premium (6.3% of MAGI)	Member's Share of Premium
Silver Plan A	\$250	\$142.71	\$107.29
<b>Silver Plan B</b>	<b>\$260</b>	<b>\$142.71</b>	<b>\$117.29</b>
Silver Plan C	\$280	\$142.71	\$137.29
Silver Plan D	\$285	\$142.71	\$142.29
Silver Plan E	\$300	\$142.71	\$157.29



# Exchange | Target Markets – Small Employer

## Small Group Market:

- In 2014 and 2015, small employers may continue to include firms with 2 – 50 employees
- In 2016, definition of small employer must be expanded to include groups with 2 – 100 employees
- In 2017, Exchange market may be expanded to large groups (over 100 employees)
- Premium subsidies available for up to two (2) years to small employers with lower-wage employees that purchase group coverage through the Exchange

## Exchange | Target Market

- Enrollees may purchase “qualified health plans,” which are organized into five levels based on actuarial value:
  - Platinum (90 percent AV)
  - Gold (80 percent AV)
  - Silver (70 percent AV)
  - Bronze (60 percent AV)
  - High Deductible Health Plan
    - HDHP limited to individual market and eligibility restricted to:
      - Individual under age 30; or
      - Individuals who are exempted from the individual health coverage mandate due to affordability or hardship
        - Premiums >8.0% of family income

## Exchange | Minimum Criteria of QHPs

- Offer at least one plan in “gold” and one plan in “silver” level
- Offer a child-only plan
- Licensed and in good standing in Connecticut
- Implement and report on quality improvement strategy
- Report on health care quality and outcomes
- Implement enrollee satisfaction surveys
- Comply with risk adjustment standards
- Set rates for an entire benefit year (individual market) or plan year (small group market)

## Exchange | Minimum Criteria of QHPs

- Submit justification for a rate increase prior to implementation of the increase
- Provide data on claims payments, finances, enrollment, and cost-sharing
- Comply with marketing standards
- Meet network adequacy standards and include “essential community providers” that serve low-income, medically-underserved individuals

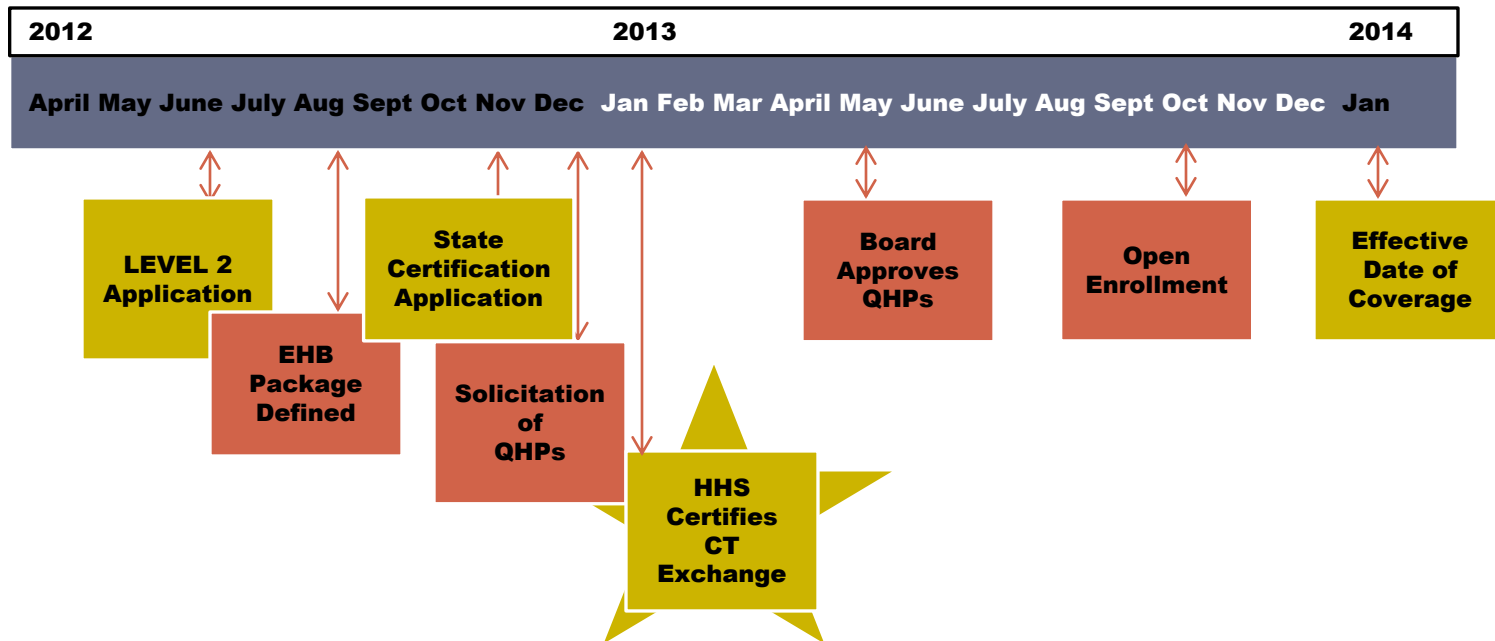
# Exchange | Structure of Individual Market Exchange

- Qualified Health Plans available in five levels
- Premium contribution for subsidy-eligible individuals and families based on the cost of second lowest priced silver level plan
- Reduced cost sharing for consumers with income at or below 250% FPL
  - Applies only to silver level plans
- Rates set annually, no mid-year changes allowed
- No medical underwriting allowed (applies to entire market)
- Limitations on rating factors that may be used to set premiums (applies to entire market)

## Exchange | Structure of SHOP Exchange

- Qualified Health Plans available in four levels
- Catastrophic (HDHP) plans not available
- \$2,000 (individual) /\$4,000 (family) limit on deductibles
- Employers with lower-income workers may be eligible for premium subsidies for employer's share of premium for up to two years
- Rates may be set monthly, quarterly, semi-annually, or annually, but are in effect for the duration of the employer's plan year

# Key Exchange Milestones pertaining to Advisory Committees



# Advisory Committee Overview

- **State Certification is Primary Focus**

Discuss issues that **affect Connecticut attaining state certification** by the end of calendar year 2012.

- **Baseline Information**

Discuss and develop baseline information on **key factors** shaping the development of an Exchange for Connecticut

- **Coordination across Committees**

Cross walk and coordinate the key issues affecting multiple Advisory Committees.



# Advisory Committee Overview

- **Financial and Operational Impacts**

Quantify the impact on the Exchange (and other state programs) – financially and operationally – of each option.

- **Review Options**

Ensure options align with Connecticut Exchange principles and are financially viable.

- **Prepare Recommendations to Board**

Draw on this information to develop options and prepare recommendations for the Board.

## Advisory Committee: Qualified Health Plans

Deadline	Priority Tasks	Resources/Action
April 2012	Establish <b>key principles</b> for Committee (e.g., promote competition, offer consumers broad choice of QHPs)	Best practices; Consultants; Report to Board
May 2012	Review information from CID on <b>current health plans purchased</b> in the individual and small group markets  Review information on <b>EHB options</b> and <b>Basic Health Program</b> and develop recommendations	CID Survey of Carriers  CCIIO Bulletin; Exchange staff / consultant report on BHP; Overview of CT-Specific Plans
June 2012	Review <b>CID health plan review and approval process</b> and prepare recommendations on Exchange's role	CID Presentation; Overview of ACA rules
	Review <b>cost sharing requirements at each QHP</b> level and pros /cons of standardizing cost sharing	Exchange staff / consultant report on plan design options

## Advisory Committee: Qualified Health Plans (2)

Deadline	Priority Tasks	Resources/Action
July 2012	Review options and develop recommendations regarding <b>plan designs</b>	Exchange staff / consultant report on plan design options; Report to Board
	Develop recommendations on <b>number and types of QHPs</b> to offer in the individual and small group (SHOP) Exchanges	Exchange staff / consultant report on QHP options; Report to Board
August 2012	Review Exchange options for offering <b>pediatric dental benefits</b> and develop recommendations for Exchange Board	Summary of ACA requirements and options paper prepared by Exchange staff / consultant; Report to Board

## Advisory Committee: Qualified Health Plans (3)

Deadline	Priority Tasks	Resources/Action
September 2012	Review <b>QHP certification criteria</b> and recommend criteria for Connecticut's Exchange	Overview of federal minimum standards; Options report prepared by Exchange staff / consultant; Report to Board
	Review recommendations on <b>criteria used</b> to solicit and evaluate QHPs; and prepare recommendations for Exchange Board	Options report prepared by Exchange staff / consultant; Report to Board

## Advisory Committee: SHOP Exchange

Deadline	Priority Tasks	Resources/Action
April 2012	Establish <b>key principles</b> for committee (e.g., minimize disruption in the SG market; expand number of firms offering employer-sponsored insurance, etc.)	Best practices, consultant; Report to Board
May 2012	Review information from CID on <b>current health plans purchased</b> in the individual and small group markets	CID Survey of Carriers
June 2012	Review <b>cost sharing requirements at each QHP</b> level and pros /cons of standardizing cost sharing	Exchange staff / consultant report on plan design options

## Advisory Committee: SHOP Exchange (2)

Deadline	Priority Tasks	Resources
July 2012	Review options and develop recommendations regarding <b>plan designs</b>	Exchange staff / consultant report on plan design options; Report to Board
	Review options and develop recommendations on <b>number and types of QHPs</b> to offer in the SHOP Exchange	Exchange staff / consultant report on QHP options; Report to Board
September 2012	Review <b>QHP certification criteria</b> and recommend criteria for Connecticut's Exchange	Overview of federal criteria; Options report prepared by Exchange staff / consultant; Report to Board
	Review recommendations on <b>criteria used</b> to solicit and evaluate QHPs; and prepare recommendations to Exchange Board	Options report prepared by Exchange staff / consultant; Report to Board

## Advisory Committee: SHOP Exchange (3)

Deadline	Priority Tasks	Resources/Action
October 2012	Review <b>participation and contribution requirements</b> in the Small Group market; prepare recommendations	Overview of SG underwriting rules; Report to Board
	Review <b>employee choice purchasing models</b> for the SHOP Exchange; prepare recommendations	Exchange staff / consultant report on purchasing options; Report to Board
	Assess <b>value of expanding small group market</b> to 100 prior to 2016 and make recommendations	Exchange staff / consultant report on SG expansion; Report to Board
	Assess value of <b>merging individual and small group markets</b> and make recommendations	Exchange staff / consultant report on merging markets; Report to Board

## Advisory Committee: Brokers, Agents and Navigators

Deadline	Priority Tasks	Resources/Action
April 2012	Establish <b>key principles</b> for Committee (e.g., leverage existing resources and expertise; support consumers in the selection of a QHP)	Best practices; Consultant; Report to Board
May 2012	Review report on <b>consumer assistance resources</b> that may be leveraged by the Exchange	KPMG report on consumer assistance programs
	Review <b>broker / agent role</b> in the market and state licensure requirements	CID overview of broker/agent rules
June 2012	Define <b>role of Navigators and brokers / agents</b> in the Exchange	Exchange staff / consultant report; Report to Board
	Review <b>funding options for Navigator</b> program and develop recommendations	Exchange staff / consultant report; Report to Board



## Advisory Committee: Brokers, Agents and Navigators (2)

Deadline	Priority Tasks	Resources/Action
October 2012	Review <b>employee choice purchasing models</b> for the SHOP Exchange; review SHOP Advisory Committee recommendations	Exchange staff / consultant report on purchasing options; SHOP Advisory Committee Report to Board
November 2012	Review <b>training requirements</b> for Navigators; prepare recommendations	Exchange staff / consultant report on Navigator training; Report to Board
	Review <b>evaluation and monitoring</b> program for Navigators and brokers; prepare recommendations	Exchange staff / consultant report on evaluation and monitoring; Report to Board

## Advisory Committee : Consumer Experience and Outreach

Deadline	Priority Tasks	Resources/Action
April 2012	Establish <b>key principles</b> for committee(e.g., develop consumer-friendly health insurance program; reduce the number of uninsured Connecticut residents, etc.)	Best practices; consultant; Report to Board
May 2012	Review information on <b>EHB and Basic Health Program</b> options, comment on QHP Advisory Committee recommendations and develop any additional recommendations.	CCIO Bulletin; Overview of CT-Specific Plans; QHP Advisory Committee report
	Review report on <b>consumer assistance resources</b> that may be leveraged by the Exchange	KPMG report on consumer assistance programs

## Advisory Committee : Consumer Experience and Outreach (2)

Deadline	Priority Tasks	Resources/Action
July 2012	Review <b>outreach and marketing strategy</b> and prepare Board recommendations	Mintz & Hoke Marketing and Outreach Strategy; Report to Board
	Review recommendations on <b>number of and type of health plans and insurers</b> at each plan level	QHP Advisory Committee report
August 2012	Review QHP recommendations on offering <b>pediatric dental benefits</b> and prepare comments for Exchange Board	Summary of ACA requirements and options paper prepared by Exchange staff / consultant; QHP Advisory Committee Report to Board
September 2012	Review <b>evaluation and monitoring program</b> for consumer experience and outreach; and develop Board recommendations	Exchange staff / consultant report on evaluation and monitoring program; Report to Board

## Coordination Across Advisory Committees

Priority Tasks	QHPs	SHOP	Brokers / Navigators	Consumer Experience
Key principles	X	X	X	X
Current health plans purchased in the individual and small group markets	X	X		
Information on <b>EHB</b> and <b>Basic Health Program</b> options	X			X
QHP certification criteria	X	X		
CID rate review and approval process and role of the Exchange	X			

## Coordination Across Advisory Committees

Priority Tasks	QHPs	SHOP	Brokers / Navigators	Consumer Experience
<b>Cost sharing at each plan</b> level and pros /cons of standardizing cost sharing	X	X		X
<b>Qualified health plan design</b> and <b>Basic Health Program</b> options	X	X		X
<b>Numbers and types of QHPs</b> to offer in the individual and small group (SHOP) Exchanges	X	X	X	X
Manner by which <b>pediatric dentals benefits</b> may be offered	X			X

## Coordination Across Advisory Committees

Priority Tasks	QHPs	SHOP	Brokers / Navigators	Consumer Experience
<b>Criteria used</b> to solicit and evaluate QHPs	X	X		
<b>Employee choice purchasing models</b> for the SHOP Exchange		X	X	
<b>Participation and contribution requirements</b> in the small group market		X		
<b>Expanding small group market</b> to 100 prior to 2016		X		

## Coordination Across Advisory Committees

Priority Tasks	QHPs	SHOP	Brokers / Navigators	Consumer Experience
<b>Merging individual and small group markets</b>		X		
<b>Consumer assistance resources</b> that may be leveraged by the Exchange			X	X
<b>Broker / agent role</b> in the market and state licensure requirements			X	X
<b>Role of Navigators and brokers / agents</b> in the Exchange			X	X
Navigator <b>qualifications and licensure</b> standards			X	

## Coordination Across Advisory Committees

Priority Tasks	QHPs	SHOP	Brokers / Navigators	Consumer Experience
<b>Training requirements</b> for Navigators			X	
<b>Evaluation and monitoring</b> program for Navigators and brokers			X	X
<b>Marketing and outreach strategy</b> developed by Mintz & Hoke				X
<b>Evaluation and monitoring program</b> for consumer experience and outreach efforts				X



# Communication Coordination

- **Exchange staff will work with each committee to:**
  - Coordinate meeting schedules and joint committee meetings
  - Take minutes
  - Prepare and post all materials
  - Facilitate meetings
- **Open Meeting Laws apply**
- **Committee Reports at Exchange Board Meetings**  
Board Chairs will provide updates at monthly Board Exchange Meetings
- **Dedicated Support**  
**All communications to Advisory Committee members** will be disseminated through the Exchange office to **ensure transparency of process and effective coordination.**

# Next steps

## Agenda for **First Committee Meetings**:

- Review **committee responsibilities and timeline** for deliverables
- **Establish principles** to guide decision-making
- Identify **key questions and background** information needed to inform discussion
- Discuss **resources** available to committee
- Review and revise proposed **committee meeting schedule**

**Meetings will be facilitated and minutes taken to ensure transparency and to maximize efficiencies.**